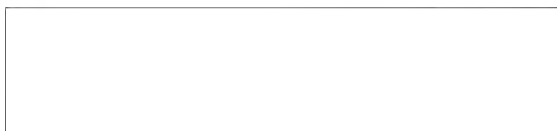


THE PRESIDENT'S INTELLIGENCE CHECKLIST



11 JUNE 1962
~~TOP SECRET~~

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LATE LAOS ITEM

The Pathet Lao radio this morning announced that the three princes have initialed an agreement on the distribution of portfolios. Souphannouvong is listed as first deputy prime minister, Phoumi as second deputy. The broadcast also claims that the princes will meet again tomorrow to sign a final agreement, that the coalition government will present itself to the King in Luang Prabang next Monday, and that a joint delegation will take off for Geneva one week later.

For The President Only—Top Secret

1. Laos

a. With Phoumi at last bowing to the formation of a coalition government and Souphannouvong said to be giving up his insistence on a privileged position, the odds are slightly in favor of the three parties coming up with a formula at their meeting today.

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b. Since Vientiane intends to go through the motions of following constitutional procedures, our guess is that any new government will not be a going concern before July at the earliest.

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2. South Korea

Government leaders were not pleased yesterday when they were informed of our unwillingness to discuss the problem of criminal jurisdiction over US personnel until constitutional government is restored. They have, nevertheless, taken additional steps to keep the lid on, but we believe that a new round of anti-American incidents is likely.

**3. Communist Bloc
leaders meeting**

The declaration put out by the Communist leaders Saturday, this time meeting as the "Political Consultative Committee of the Warsaw Pact," gave relatively moderate treatment to the German problem, but was otherwise virtually meaningless.

We are still in the dark on what else went on; relations with Albania and China were undoubtedly discussed.

4. South Vietnam

Our Saigon Embassy has received an advance copy of the ICC report on South Vietnam (due for release yesterday.) Ambassador Nolting is favorably impressed by its over-all tone, and satisfied that the cause-and-effect relationship between North Vietnamese subversion and US intervention comes through loud and clear. The Communists seem to have read the report the same way and, judging by Hanoi's furious propaganda charges that the ICC has acted "illegally," are out to discredit it.

5. Algeria

Algerian nationalist leaders, meeting in Tunis last week, [redacted] elected Ben Bella to be the secretary-general of their post-independence political organization. It is, therefore, probably no coincidence that nationalist pronouncements, in the past few days, have begun to glorify the Algerian National Army and have taken on a stronger anti-French coloration. This and Algerian reaction to the new wave of OAS activity do not bode well for the future of the European community. [redacted]

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50X1

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6. Peru

In Peru, press reports of the early election returns are conflicting as to who is ahead. It seems, however, that the three top contenders--Haya de la Torre, Odria, and Belaunde--are so closely bunched that none may gain the 34 per cent of the total vote required for election. (There are four other candidates.) In such an event, the congress elects the president.

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7. Indian Politics

a. [REDACTED]

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[REDACTED] Nehru [REDACTED]

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[REDACTED] the general feeling is that his reign is nearly over. There are indications that the scramble to succeed is already under way. The first test of factional strength in the ruling Congress Party is likely to take place next week when Krishna Menon's supporters will attempt to prevent the election of conservative Finance Minister Desai to the position of deputy party leader in Parliament.

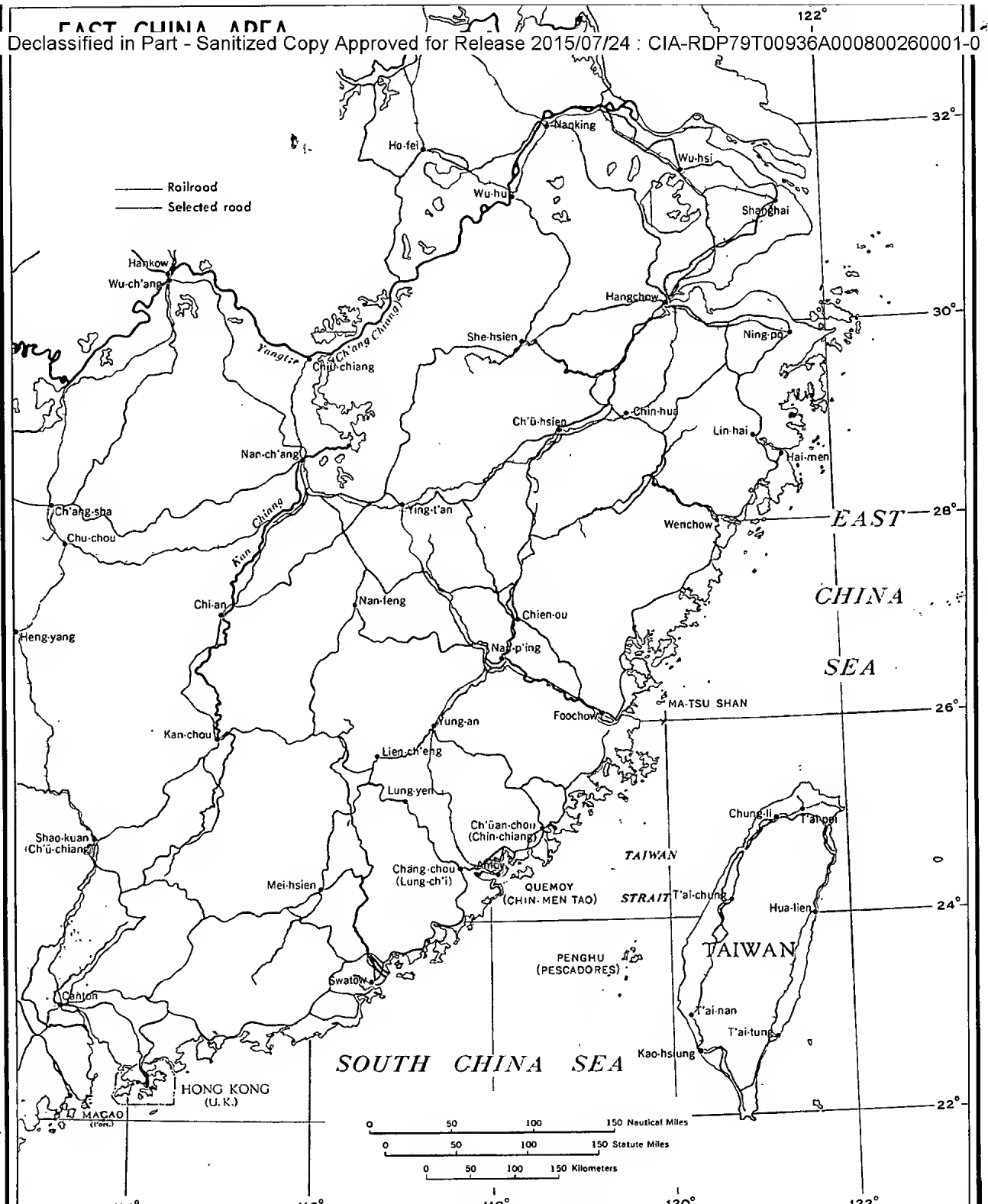
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b. Menon's campaign for MIG-21's (and for the reduction of India's dependence on US aid in general) is apparently intended to weaken Desai. [REDACTED]

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8. Chinese Communist
military movements

[redacted] a high level
of alert over most of China. There
are indications of the movement of at
least three divisions--and probably
considerably more--from north and
central China, apparently toward the
south. We are unable yet to deter-
mine the reason: reaction to
Nationalist preparations, civil unrest,
and flood difficulties have been sug-
gested, but none completely fit the
picture. There are already approximately
a half-million troops in the areas
facing Taiwan. [redacted]

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NOTES

- A. Ambassador Rice reports that the Dutch are unlikely to make any public statement, as demanded by Indonesia, which smacks of agreement to transfer the administration of West New Guinea before negotiations are resumed.
- B. The Bonn cabinet is scheduled this week to consider whether, and under what circumstances, it should grant a large line of credit to East Germany for the purchase of machinery and industrial goods from West Germany.
- C. A Soviet fighter aircraft yesterday tailed one of our transports on a flight in the southern corridor to Berlin. This is the first incident of this nature since the Soviets stopped their harassment activities in the corridors last March. 50X1
- D. [redacted] high-level Soviet military delegation to visit Ghana. The Russians, we suspect, will come prepared to offer Nkrumah something more substantial in the way of military assistance than the training of a few cadets in the USSR and a modest gift of small arms, their limit to date. 50X1
- [redacted]

F. Communist China is again shopping for wheat in Australia.

DOCUMENTS OF INTEREST

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I.

II.

THE DIRECTOR OF CENTRAL INTELLIGENCE